



0000104443

BEFORE THE ARIZONA CORPORATION

COMMISSIONERS

KRISTIN K. MAYES, Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

2009 OCT 30 P 4:40

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

OCT 30 2009

DOCKETED BY [Signature]

IN THE MATTER OF THE APPLICATION
OF BACA FLOAT WATER COMPANY
FOR AN EXTENSION OF ITS EXISTING
CERTIFICATE OF CONVENIENCE AND
NECESSITY FOR WATER SERVICE.

DOCKET NO. WS-01678A-07-0116

COMPLIANCE FILING

On October 30, 2007, the Arizona Corporation Commission (the "Commission") granted an extension of Baca Float Water Company's (the "Company") Certificate of Convenience and Necessity to provide water service in Santa Cruz County, Arizona. See Decision No. 69949. In granting the extension, the Commission required the Company to file the following within two years of the Commission's Decision:

1. "a copy of the ADEQ Approval to Construct the facilities needed to serve the first phase of development in the requested area;"
2. "a letter from ADWR indicating that the CC&N extension area is included within the Company's Designation of Assured Water Supply;" and
3. "a copy of an updated ADWR service area map to include the extension area."

Decision No. 69949 at 7.

On September 3, 2009, the Company requested an extension of time to file the Approval to Construct due to the current economic downturn, which has delayed the Company's plans to develop within the CC&N extension area. On October 1, 2009 Staff recommended approval of the Company's request, and the Company is awaiting a decision of the Commission on that matter. With respect to items 2 and 3 above, the Company files the attached letter from ADWR explaining the automatic inclusion of the Company's CC&N extension area within the Designation of Assured Water Supply ("Designation") once the Company begins providing service to that area (Exhibit A), as


1 well as the attached ADWR service area map (Exhibit B).

2 The Arizona Department of Water Resources ("ADWR") notified the Company
3 that its Designation is based upon the Company's service area. See Letter from J.
4 Schneeman, ADWR, to K. Kiefer, Counsel for the Company (Oct. 19, 2009), attached
5 hereto as Exhibit A. As such, "[a]ny portion of the CC&N that is currently being served
6 or that has an operating distribution system is included in Baca Float's Designation. Baca
7 Float's service area, as well as its Designation, will generally automatically expand as the
8 provider expands the areas served or its operating distribution system." *Id.* The Company
9 is not presently serving water users within the extension area; therefore, the service area
10 map does not identify the CC&N extension as being within the Company's service area.
11 See ADWR Map, attached hereto as Exhibit B. However, as indicated by ADWR, the
12 Company's Designation will automatically expand, along with the service area, once the
13 Company begins serving customers within the CC&N extension.

14 DATED this 30th day of October, 2009.

15 SNELL & WILMER L.L.P.

16
17 By


Jeffrey W. Crockett
Kristoffer P. Kiefer
One Arizona Center
400 E. Van Buren
Phoenix, AZ 85004-2202
Attorneys for Baca Float Water Company

1 ORIGINAL and thirteen (13) copies filed
2 this 30th day of October, 2009 with

3 Docket Control Division
4 Arizona Corporation Commission
5 1200 West Washington Street
6 Phoenix, AZ 85007

7 Copy hand delivered this 30th day of October,
8 2009 to

9 Brian Bozzo, Compliance Manager
10 Utilities Division
11 Arizona Corporation Commission
12 1200 West Washington Street
13 Phoenix, AZ 85007

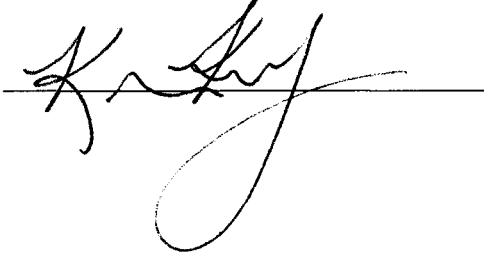
14 
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT A

Letter from ADWR RE: Baca Float Water Company's Designation of Assured Water Supply

Docket No. WS-01678A-07-0116

Decision No. 69949

Compliance Filing October 30, 2009

JANICE K. BREWER

Governor



HERBERT R. GUENTHER

Director

ARIZONA DEPARTMENT OF WATER RESOURCES

3550 North Central Avenue, Second Floor
PHOENIX, ARIZONA 85012-2105
(602) 771-8500

Via electronic mail

October 19, 2009

Kristoffer P. Kieffer
Snell & Wilmer L.L.P.
One Arizona Center
Phoenix, AZ 85004

**Re: Baca Float Water Company
Designation of Assured Water Supply (DWR No. 26-400800.0000)
Incorporating a CC&N extension area in a Designation of Assured Water Supply**

Dear Mr. Kieffer:

I received your request for a letter from the Arizona Department of Water Resources (Department) regarding the geographical extent of Baca Float Water Company's (Baca Float) Designation of Assured Water Supply (Designation), and particularly whether Baca Float's Certificate of Convenience and Necessity (CC&N) extension area is included in its current Designation. According to your request, when the Arizona Corporation Commission granted an extension of Baca Float's CC&N in October 2007, a compliance item in the decision required that Baca Float file "a letter from ADWR indicating that the CC&N extension area is included within Baca Float's Designation [of Assured Water Supply] by October 30, 2009."

A Designation applies to a water provider's service area. The Department generally defines a service area as the area of land actually being served water by a water provider plus additions to such area which contain an operating distribution system owned by the water provider. A.R.S. § 45-402(31)(b). Any portion of the CC&N that is currently being served or that has an operating distribution system is included in Baca Float's Designation. Baca Float's service area, as well as its Designation, will generally automatically expand as the provider expands the areas served or its operating distribution system.

Under the Department's Assured and Adequate Water Supply Rules, a provider is designated for a specific volume and for a specific time frame. The rules also require a two-year cushion for demands and the time frame to allow for the redesignation process to be completed without suspension of the designation, except in extreme circumstances. Baca Float is currently designated through December 31, 2011, for an estimated water demand of 333 acre-feet per year. Baca Float must apply to modify its Designation when its current, committed and two years'

Kristoffer P. Kieffer
October 19, 2009
Page 2 of 2

projected demand exceeds 333 acre-feet per year or by December 31, 2009, whichever is earlier. Until that time, Baca Float's entire service area, including expansions of the service area, will be included in its Designation. Baca Float's current water demand (for calendar year 2008) was reported as 36 acre-feet and its two years' projected demand was reported as 69.6 acre-feet. Since Baca Float's current, committed and two-year projected demands are well below the demonstrated physical supply it does not appear that there will be major issues to prevent Baca Float from being redesignated.

If you have any questions or if you need additional clarification please feel free to contact me at 602-771-8593.

Sincerely,

A handwritten signature in black ink, appearing to be 'JS', written over a horizontal line.

John Schneeman, Manager
Office of Assured and Adequate Water Supply

JFS/rbo

Attachment

Via electronic mail:

Cc: Sandra Fabritz-Whitney, Assistant Director, Water Management Division
Nicole Klobas, Legal Division
Alejandro Barcenas, Director, Santa Cruz AMA

EXHIBIT B

Baca Float Water Company Service Area Map from ADWR

Docket No. WS-01678A-07-0116

Decision No. 69949

Compliance Filing October 30, 2009



JANICE K. BREWER
Governor

HERBERT R. GUENTHER
Director

ARIZONA DEPARTMENT OF WATER RESOURCES


3550 North Central Avenue, Second Floor
PHOENIX, ARIZONA 85012-2105

(602) 771-8500

October 30, 2009

Kris Keifer
Snell & Wilmer

As per your request attached is the Baca Float CC&N map as is currently in our records. Please let me know if you have any questions.

Thanks,

Alejandro Bárcenas
Director
Santa Cruz AMA
(520) 761 1814



Printed on recycled paper. Each ton of recycled paper saves 7,000 gallons of water.

Santa Cruz AMA

Baca Float CC&N and Water lines 2009

